

## Message Text

UNCLASSIFIED

PAGE 01 MTN GE 02715 081737Z

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ACTION STR-04

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CIEP-02 SS-15 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02

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E.O. 11652: N/A

TAGS: MTN, ETRD, GATT

SUBJECT: HANDELSBLATT INTERVIEW WITH AMBASSADOR DENT

1. FOLLOWING IS AN ARTICLE APPEARING IN HANDELSBLATT  
APRIL 7.

HANDELSBLATT, APRIL 7, HAD A FRONT PAGE STORY ENTITLED  
"WASHINGTON REJECTS CRITICISM - SPECIAL TRADE  
REPRESENTATIVE DENT : NO PROTECTIONISM". TRANSLATION.

THOSE WHO HAVE EXAMINED THE NEW AMERICAN TRADE ACT AND  
HAVE FOLLOWED IN DETAIL AMERICAN INITIATIVES FOR FURTHER  
TRADE LIBERALIZATION MADE THIS YEAR, MUST CONCLUDE THAT  
THERE HAS BEEN NO MOVE IN U.S. TRADE POLICY TOWARDS  
PROTECTIONISM. THIS STATEMENT WAS MADE BY THE SPECIAL  
REPRESENTATIVE OF THE U.S. PRESIDENT FOR INTERNATIONAL  
TRADE TALKS, FREDRICK DENT, IN A HANDELSBLATT INTERVIEW.  
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PAGE 02 MTN GE 02715 081737Z

THE FORMER U.S. SECRETARY OF COMMERCE AND PRESENT SPECIAL REPRESENTATIVE TO THE TOKYO ROUND SAID: "THE MORE U.S. TRADING PARTNERS KNOW OF THE PROVISIONS OF THE NEW TRADE ACT, THE MORE THEY WILL LEARN TO APPRECIATE ITS ADVANTAGES". ACCORDING TO DENT, THE U.S. PRESIDENT AND THE ITC "HAVE REJECTED FAR MORE REQUESTS FOR IMPORT PROTECTION THAN THEY HAVE ACCEPTED". IN THE CASE OF COUNTERVAILING DUTIES THE AMERICAN SECRETARY OF TREASURY "HAS ALMOST ALWAYS USED THE WAIVER CLAUSE BECAUSE OF THE CURRENT NEGOTIATIONS". THIS CLAUSE PERMITS THE AMERICAN GOVERNMENT TO WAIVE THE COUNTERVAILING DUTIES UP TO JANUARY 3, 1979, IN VIEW OF CURRENT TRADE NEGOTIATIONS.

RE THE ANTIDUMPING PROCEDURE ON FOREIGN CARS, DENT STATES THAT NO GOVERNMENT CAN APPROVE EXPORT AT LOWER THAN DOMESTIC PRICES UNDER BINDING INTERNATIONAL TRADE RULES. IF CERTAIN FIRMS VIOLATE THIS INTERNATIONAL TRADE RULE, "THE GOVERNMENT OF THE EXPORTING COUNTRY CONCERNED CANNOT TALK ABOUT PROTECTIONISM IN THE EVENT OF A NORMAL AMERICAN PROTECTIONIST MEASURE". REGARDING IMPORT QUOTAS ON SPECIALTY STEEL, DENT IS NOT SURE "WHETHER U.S. TRADE PARTNERS ARE ENTITLED TO COMPENSATION UNDER GATT RULES". AMERICAN CONSULTATIONS WITH JAPAN, THE EC AND SWEDEN ON THE SPECIALTY STEEL ISSUE HAVE ONLY JUST STARTED. THE RESULT OF THESE TALKS CANNOT "BE AVALUATED YET".

THE LARGE NUMBER OF PROCEDURES FOR IMPORT PROTECTION IN THE U.S. SHOULD BE SEEN AS A "STABILIZING ELEMENT". WITHOUT THE OPPORTUNITY FOR COMPLAINTS PROVIDED BY THE TRADE ACT, THE CONGRESS WOULD NOT HAVE GIVEN THE PRESIDENT FAR REACHING AUTHORITY FOR TRADE LIBERALIZATION AS ILLUSTRATED BY THE RECENT U.S. TARIFF REDUCTION PROPOSAL IN THE TOKYO ROUND. ONLY IN THIS WAY IS A LIBERAL AMERICAN TRADE POLICY SAFE-GUARDED INTERNALLY.

THE INTRODUCTION OF A PREFERENCE SYSTEM FOR LDC'S AT THE BEGINNING OF THIS YEAR, THE WASHINGTON PACKAGE FOR TROPICAL PRODUCTS OF MARCH 1 AMOUNTING TO ABOUT 1 BILLION DOLLARS - "HERE WE ARE STILL WAITING FOR THE RESPECTIVE EC-OFFER" - AND THE AMERICAN TARIFF REDUCTION PROPOSAL OF MARCH 28 IN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MTN GE 02715 081737Z

GENEVA WHICH ALLOWS UP TO 60 PERCENT REDUCTION FOR DUTIES EXCEEDING 5 PERCENT, ALL THESE LIBERALIZATION INITIATIVES "DO NOT LOOK LIKE PROTECTIONISM" ACCORDING TO DENT. HE IS "CONFIDENT THAT THE SCHEDULE OF THE TOKYO ROUND CAN BE RESPECTED."

DENT STRESSES THAT THE AMERICAN POSITION IN FOREIGN TRADE SHOWS THAT "EVEN THE MOST RECENT DEVELOPMENT OF THE TRADE BALANCE IS A SIGN OF UNBROKEN AMERICAN IMPORT READINESS".

THE AMERICAN TRADE SURPLUS WHICH "WAS ONLY 3.8 BILLION DOLLARS  
IN 1975 ON A CIF BASIS, WAS 1.578 BILLION DOLLARS IN THE RED  
DURING THE FIRST TWO MONTHS OF THIS YEAR."

THE CHIEF COORDINATOR OF AMERICAN TRADE POLICY IS CONCERNED  
ABOUT RECENT MONETARY TROUBLES AND THEIR CONSEQUENCES FOR  
THE EXPANSION OF WORLD TRADE. THIS EXPANSION WILL ALWAYS  
BE SUPPORTED BY A LIBERAL AMERICAN TRADE POLICY ACCORDING  
TO DENT. FOREIGN EXPORTERS AND GOVERNMENTS INVOLVED IN  
DOMESTIC U.S. IMPORT PROCEEDINGS HAVE HAD MANY OPPORTUNITIES  
TO EXPRESS THEIR VIEWS. WALKER

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